SONET COST STUDY - CTOC OHIO
Economic Analysis
May 1, 2001

Proposed Pricing - Synchronous Optical Channel Service (SONET) Network

Channel Terminations		Monthly Recurring Unit Cost			Monthly Recurring Unit Price			Non-Recurring
		1 Year	3 Year	5 Year	1 Year	3 Year	5 Year	
OC3 Channel Termination	155.52 Mbps	$4,403.51	$3,739.10	$3,655.41	$5,944.74	$5,350.27	$4,755.79	$786.00
OC3 Loop Surcharge > 3 miles	155.52 Mbps	$1,461.84	$1,461.84	$1,461.84	$1,973.49	$1,973.49	$1,973.49	
OC12 Channel Termination	622.08 Mbps	$5,781.70	$5,117.29	$5,033.60	$7,805.30	$6,908.34	$6,795.35	$786.00
OC12 Loop Surcharge > 3 miles	622.08 Mbps	$1,461.84	$1,461.84	$1,461.84	$1,973.49	$1,973.49	$1,973.49	
OC48 Channel Termination	2488.32 Mbps	$9,823.95	$9,159.53	$9,075.84	$13,262.33	$12,365.37	$12,252.39	$786.00
OC48 Loop Surcharge > 3 miles	2488.32 Mbps	$1,461.84	$1,461.84	$1,461.84	$1,973.49	$1,973.49	$1,973.49	
OC3 Channel Mileage Facility per mile	155.52 Mbps	$153.82	$153.82	$153.82	$207.65	$207.65	$207.65	
OC12 Channel Mileage Facility per mile	622.08 Mbps	$219.54	$219.54	$219.54	$296.38	$296.38	$296.38	
OC48 Channel Mileage Facility	2488.32 Mbps	$394.82	$394.82	$394.82	$533.00	$533.00	$533.00	
OC3 Channel Mileage Termination	155.52 Mbps	$258.53	$258.53	$258.53	$349.01	$349.01	$349.01	
OC12 Channel Mileage Termination	622.08 Mbps	$1,034.11	$1,034.11	$1,034.11	$1,396.05	$1,396.05	$1,396.05	
OC48 Channel Mileage Termination	2488.32 Mbps	$3,102.34	$3,102.34	$3,102.34	$4,188.16	$4,188.16	$4,188.16	

Optional Features & Functions

		1 Year	3 Year	5 Year	1 Year	3 Year	5 Year	Non-Recurring
Customer Node - OC3	155.52 Mbps	$1,155.42	$1,155.42	$1,155.42	$1,733.14	$1,559.82	$1,386.51	$786.00
Customer Node - OC12	622.08 Mbps	$2,939.11	$2,939.11	$2,939.11	$4,408.67	$3,967.80	$3,526.93	$786.00
Customer Node - OC48	2488.32 Mbps	$8,498.75	$8,498.75	$8,498.75	$12,748.12	$11,473.31	$10,198.50	$786.00
Customer Premise Port - STS-1		$78.49	$78.49	$78.49	$117.73	$105.96	$94.18	
Customer Premise Port - DS3	44.736 Mbps	$78.49	$78.49	$78.49	$117.73	$105.96	$94.18	
Customer Premise Port - OC3/OC3c	155.52 Mbps	$127.82	$127.82	$127.82	$191.74	$172.56	$153.39	
Customer Premise Port - OC12	622.08 Mbps	$259.01	$259.01	$259.01	$388.51	$349.66	$310.81	
ADM - DS1 Drop	1.544 Mbps	$11.10	$11.10	$11.10	$30.00	$30.00	$30.00	
ADM - DS3 Drop	44.736 Mbps	$67.55	$67.55	$67.55	$91.19	$91.19	$91.19	
ADM - OC3 Drop	155.52 Mbps	$145.29	$145.29	$145.29	$196.14	$196.14	$196.14	
ADM - OC12 Drop	622.08 Mbps	$259.01	$259.01	$259.01	$349.66	$349.66	$349.66	
DSL Access Service Connection Per OC3/OC3c		$1,733.18	$1,733.18	$1,733.18	$2,339.80	$2,339.80	$2,339.80	

Notes:
1) Minimum 1 Year Term required.

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Proposed Pricing - Synchronous Optical Channel Service (SONET) Network

		Monthly Recurring Unit Cost			Monthly Recurring Unit Price			Non-
Channel Terminations		**1 Year**	**3 Year**	**5 Year**	**1 Year**	**3 Year**	**5 Year**	**Recurring**
OC3 Channel Termination	155.52 Mbps	$2,608.34	$2,342.58	$2,288.81	$3,521.25	$3,169.13	$2,817.00	$786.00
OC3 Loop Surcharge > 3 miles	155.52 Mbps	$867.70	$867.70	$867.70	$1,171.39	$1,171.39	$1,171.39	
OC12 Channel Termination	622.08 Mbps	$3,935.64	$3,669.89	$3,616.12	$5,313.11	$4,954.35	$4,881.76	$786.00
OC12 Loop Surcharge > 3 miles	622.08 Mbps	$867.70	$867.70	$867.70	$1,171.39	$1,171.39	$1,171.39	
OC48 Channel Termination	2488.32 Mbps	$8,231.95	$7,966.20	$7,912.43	$11,113.13	$10,754.37	$10,681.78	$786.00
OC48 Loop Surcharge > 3 miles	2488.32 Mbps	$867.70	$867.70	$867.70	$1,171.39	$1,171.39	$1,171.39	
OC3 Channel Mileage Facility per mile	155.52 Mbps	$130.05	$130.05	$130.05	$175.57	$175.57	$175.57	
OC12 Channel Mileage Facility per mile	622.08 Mbps	$345.45	$345.45	$345.45	$466.36	$466.36	$466.36	
OC48 Channel Mileage Facility	2488.32 Mbps	$919.87	$919.87	$919.87	$1,241.82	$1,241.82	$1,241.82	
OC3 Channel Mileage Termination	155.52 Mbps	$174.72	$174.72	$174.72	$235.87	$235.87	$235.87	
OC12 Channel Mileage Termination	622.08 Mbps	$698.87	$698.87	$698.87	$943.47	$943.47	$943.47	
OC48 Channel Mileage Termination	2488.32 Mbps	$2,096.60	$2,096.60	$2,096.60	$2,830.41	$2,830.41	$2,830.41	
Optional Features & Functions								
Customer Node - OC3	155.52 Mbps	$788.26	$788.26	$788.26	$1,182.39	$1,064.15	$945.92	$786.00
Customer Node - OC12	622.08 Mbps	$2,016.75	$2,016.75	$2,016.75	$3,025.12	$2,722.61	$2,420.10	$786.00
Customer Node - OC48	2488.32 Mbps	$5,830.82	$5,830.82	$5,830.82	$8,746.23	$7,871.61	$6,996.99	$786.00
Customer Premise Port - STS-1		$54.06	$54.06	$54.06	$81.09	$72.98	$64.88	
Customer Premise Port - DS3	44.736 Mbps	$54.06	$54.06	$54.06	$81.09	$72.98	$64.88	
Customer Premise Port - OC3/OC3c	155.52 Mbps	$88.05	$88.05	$88.05	$132.07	$118.86	$105.66	
Customer Premise Port - OC12	622.08 Mbps	$178.41	$178.41	$178.41	$267.61	$240.85	$214.09	
ADM - DS1 Drop	1.544 Mbps	$11.10	$11.10	$11.10	$30.00	$30.00	$30.00	
ADM - DS3 Drop	44.736 Mbps	$46.53	$46.53	$46.53	$62.82	$62.82	$62.82	
ADM - OC3 Drop	155.52 Mbps	$100.08	$100.08	$100.08	$135.10	$135.10	$135.10	
ADM - OC12 Drop	622.08 Mbps	$178.41	$178.41	$178.41	$240.85	$240.85	$240.85	
DSL Access Service Connection Per OC3/OC3c		$1,193.70	$1,193.70	$1,193.70	$1,611.49	$1,611.49	$1,611.49	

Notes:
1) Minimum 1 Year Term required.

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Benchmark Comparison - SONET 3 Year Contract Rates

	Proposed CTOC Michigan	Proposed CTOC Ohio	Proposed CTOC Wisconsin	Preliminary Proposed TUECA Interstate	10/5/00 NECA Interstate	3 Year 7/1/00 Qwest Interstate	7/1/00 Ameritech Interstate
OC3/OC3c Channel Termination	$3,380.77	$5,350.27	$3,169.13	$3,929.90	$1,224.90	$1,504.00	$1,368.00
OC12 Channel Termination	$5,001.33	$6,908.34	$4,954.35	$5,980.30	$2,390.40	$3,560.00	$3,400.00
OC48 Channel Termination	$10,194.71	$12,365.37	$10,754.37	$12,670.97	N/A	$11,324.00	$6,800.00
OC3 Channel Mileage Facility	$123.90	$207.65	$175.57	$149.03	$126.00	$103.00	$213.00
OC12 Channel Mileage Facility	$236.95	$296.38	$466.36	$219.84	$252.00	$305.00	$425.00
OC48 Channel Mileage Facility	$538.42	$533.00	$1,241.82	$408.67	N/A	$534.00	$520.00
OC3/OC3c Channel Mileage Termination	$211.03	$349.01	$235.87	$271.44	$435.60	$630.00	$399.00
OC12 Channel Mileage Termination	$844.11	$1,396.05	$943.47	$1,085.76	$1,626.30	$2,037.00	$595.00
OC48 Channel Mileage Termination	$2,532.33	$4,188.16	$2,830.41	$3,257.27	N/A	$5,703.00	$1,420.00
OC12 Composite	$8,214.99	$11,268.22	$10,561.45	$9,264.47	$6,536.70	$8,647.00	$8,245.00
OC48 Composite	$18,111.27	$21,883.56	$26,002.97	$20,014.93	N/A	$22,367.00	$13,420.00
Optional Features & Functions							
Customer Node - OC3/OC3c	$948.07	$1,559.82	$1,064.15	$1,209.75	$445.50	$820.00	$2,770.00
Customer Node - OC12	$2,419.38	$3,967.80	$2,722.61	$3,072.01	$1,287.00	$2,804.00	$6,470.00
Customer Node - OC48	$6,995.34	$11,473.31	$7,871.61	$8,883.40	N/A	$9,888.00	$11,130.00
Customer Premises Port - OC12/OC12c	$213.71	$349.66	$240.85	$270.41	N/A	$830.00	$475.00
Customer Premises Port - OC3/OC3c	$105.47	$172.56	$118.86	$133.46	$135.00	$106.00	$190.00
Customer Premises Port - STS-1	$64.76	$105.96	$72.98	$81.94	$175.50	$121.00	N/A
Customer Premises Port - DS3	$64.76	$105.96	$72.98	$81.94	$175.50	$61.00	$150.00
Customer Premises Port - DS1	N/A	N/A	N/A	N/A	$45.00	$10.00	$65.00
Remote CO Node - OC3	N/A	N/A	N/A	N/A	N/A	$419.00	N/A
Remote CO Node - OC12	N/A	N/A	N/A	N/A	N/A	$1,232.00	N/A
Remote CO Node - OC48	N/A	N/A	N/A	N/A	N/A	$4,300.00	N/A
ADM OC3 Mux Arrangement	N/A	N/A	N/A	N/A	N/A	N/A	$939.00
ADM OC12 Mux Arrangement	N/A	N/A	N/A	N/A	N/A	N/A	$2,340.00
ADM OC48 Mux Arrangement	N/A	N/A	N/A	N/A	N/A	N/A	$1,170.00
ADM - DS1 Drop	$30.00	$11.10	$11.10	$30.00	$40.00		$50.00
ADM - DS3 Drop	$55.74	$91.19	$62.82	$70.53	$100.00		$120.00
ADM - OC3 Drop	$119.88	$196.14	$135.10	$151.69	$150.00	$500.00	$150.00
ADM - OC12 Drop	$213.71	$349.66	$240.85	$270.41	N/A		$375.00
Shared SONET Ring - OC3/OC3c	N/A	N/A	N/A	N/A	$0.00		$120.00
Shared SONET Ring - OC12	N/A	N/A	N/A	N/A	$0.00		$50.00
DSL Access Service Connection Per OC3/OC3c	$1,430	$2,339.80	$1,611.49	N/A	$2,190.00		$57.00
OC3 to OC3 Crossconnect	N/A	N/A	N/A				$104.00
OC12 to OC12 Crossconnect	N/A	N/A	N/A				$550.00
Term Discount - 1 year		Included	Included	Included	0%	Varies	Varies
Term Discount - 3 years		Included	Included	Included	10%	Varies	Varies
Term Discount - 5 years		Included	Included	Included	20%	Varies	Varies

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Proposed SONET Rate Structure for Tariffing

Central Office/Remotes Rate Elements

Channel Termination   Recovers cost of dedicated 12-strand fiber and common fiber from customer
   OC3 CT   premise to the Serving Wire Center COs. This is the loop.
   OC12 CT
   OC48 CT

Channel Mileage Facility   Recovers cost of common fiber between Serving Wire Centers COs.
   OC3 CMF   And any intermediate CO equipment.
   OC12 CMF   This is the OSP fiber part of the interoffice transport.
   OC48 CMF

Channel Mileage Termination   Recovers cost of terminating interoffice circuit at the Service Wire Center CO.
   OC3 CMT   This is the equipment part of interoffice transport.
   OC12 CMT
   OC48 CMT

Add/Drop Multiplexing   Recovers cost of adding or dropping circuits at CO's and Remotes which have
   DS3 Drop   ADM capability. This rate element is only charged if adding or dropping
   OC3 Drop   circuits.
   OC12 Drop

Customer Premise Rate Elements
Customer Node   Recovers cost of installing SONET "shell" equipment at the customer premise.
   OC3 Customer Node
   OC12 Customer Node
   OC48 Customer Node

Customer Ports   Recovers cost of capacity utilized at the customer premise.
   DS1 Customer Ports
   DS3 Customer Ports
   STS-1 Customer Ports
   OC3 Customer Ports
   OC12 Customer Ports